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Annual Report

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

Burlington Route

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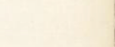
FOREWORD

TO OUR PATRONS—

To the many thousands of shippers and travelers who used our freight and passenger service in 1954, the Board of Directors, Officers, and Employes express grateful appreciation. It is our earnest desire to fulfill efficiently the transportation requirements of the region we serve and to provide an essential link in transportation to and from points beyond our lines.

TO OUR EMPLOYES—

The Board of Directors again expresses sincere appreciation for the efficient and loyal services of our competent employes and officers in making 1954 a successful year.



One Hundred and First

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

For the year ended
December 31, 1954

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

Term Expires 1955

GEORGE M. FOSTER .... Ottumwa, Ia.
Chairman of the Board, John Morrell & Company
J. C. JAMES .... Chicago, Ill.
Retired Executive Vice President and General Counsel,
Chicago, Burlington & Quincy Railroad Company
H. C. MURPHY .... Chicago, Ill.
President, Chicago, Burlington & Quincy Railroad Company

Term Expires 1956

RALPH BUDD .... Chicago, Ill.
Retired President, Chicago, Burlington & Quincy Railroad Company
JOHN M. BUDD .... St. Paul, Minn.
President, Great Northern Railway Company
ROBERT S. MACFARLANE .... St. Paul, Minn.
President, Northern Pacific Railway Company

Term Expires 1957

ELLSWORTH MOSER .... Omaha, Nebr.
President, U. S. National Bank of Omaha
R. DOUGLAS STUART .... Chicago, Ill.
Director, The Quaker Oats Company

EXECUTIVE COMMITTEE

H. C. MURPHY . . . *Chairman*
JOHN M. BUDD GEORGE M. FOSTER ROBERT S. MACFARLANE
J. C. JAMES R. DOUGLAS STUART

OFFICERS

H. C. MURPHY, *President* .... Chicago
F. L. KARTHEISER, *Vice President-Executive Department* .... Chicago
L. R. CAPRON, *Vice President, Traffic Department* .... Chicago
S. L. FEE, *Vice President, Operating Department* .... Chicago
A. W. LAVIDGE, *Vice President and Comptroller* .... Chicago
ELDON MARTIN, *Vice President and General Counsel* .... Chicago
HOLLY STOVER, *Executive Assistant* .... Washington, D. C.
F. E. SPERRY, *Assistant Vice President, Operating Department* .... Chicago
H. H. URBACH, *Assistant Vice President-Mechanical* .... Chicago
J. E. WOLFE, *Assistant Vice President-Labor Relations* .... Chicago
R. W. COGLAN, *Treasurer and Assistant Secretary* .... Chicago
A. D. McLANE, *Secretary, Assistant Treasurer and Transfer Agent* .... Chicago
J. F. McALPINE, *Director of Purchases and Stores* .... Chicago
WALTER McFARLAND, *Assistant General Counsel* .... Chicago
R. T. CUBBAGE, *Assistant General Counsel* .... Chicago
C. W. KROHL, *General Solicitor* .... Chicago
R. C. SMITH, *General Auditor* .... Chicago
#H. A. AALBERG, *Chief Engineer* .... Chicago
O. E. SHALBERG, *Transfer Agent* .... Chicago
R. M. O'KELLY, E. V. FINK } *Fiscal Agents* .... 2 Wall Street, New York
DOLORES MALONEY, CLARA M. BYRNES } *Transfer Agents* .... 2 Wall Street, New York
*STATE STREET TRUST COMPANY, *Fiscal Agent and Transfer Agent*,
State and Congress Streets, Boston

The above were Directors and Officers as of December 31, 1954.

#Retired December 31, 1954. E. J. Brown appointed Chief Engineer January 1, 1955.

*Effective February 21, 1955, name changed to Second Bank-State Street Trust Company.

HIGHLIGHTS OF OPERATIONS

	1954	1953	Increase (I) or Decrease (D)
Operating Revenues (Page 25)	$252,352,714	$278,413,812	$ 26,061,098(D)
Operating Expenses (Page 25)	$190,333,761	$203,124,368	$ 12,790,607(D)
Operating Ratio (Page 25)	75.42%	72.96%	2.46% (I)
Available for Fixed Charges	$ 29,654,910	$ 31,947,788	$ 2,292,878(D)
Fixed Charges (Page 25)	$ 6,643,190	$ 6,286,282	$ 356,908 (I)
Times Fixed Charges Earned	4.46	5.08	.62(D)
Total Taxes (Page 25)	$ 28,989,381	$ 39,557,462	$ 10,568,081(D)
Net Income	$ 23,011,720	$ 25,661,506	$ 2,649,786(D)
Dividends Paid	$ 12,812,902	$ 12,812,902	
Averages per Share of Stock:			
Taxes	$ 16.97	$ 23.15	$ 6.18(D)
Net Income	$ 13.47	$ 15.02	$ 1.55(D)
Dividends Paid	$ 7.50	$ 7.50	
Net Investment	$707,359,797	$696,112,519	$ 11,247,278 (I)
Rate of Return on Net Investment	3.92%	4.29%	.37%(D)
Average Number of Employes	28,226	31,088	2,862(D)
Total Wages	$123,924,405	$131,578,544	7,654,139(D)
Revenue Ton Miles	15,709,662,010	16,825,003,317	1,115,341,307(D)
Revenue Passenger Miles	837,706,035	902,035,893	64,329,858(D)
Miles of Road Operated—end of year	8,858.05	8,866.52	8.47(D)
Total Outstanding Funded Debt including Equipment Obligations (Page 32)	$215,592,042	$215,995,447	$ 403,405(D)

MAY 13 1955 AS

REPORT

for the Year Ended December 31, 1954

Although business generally experienced a decline in 1954, the year was a fairly good one for the Burlington, measured against the high level of 1953.

Operating revenues for the year were $252,352,714, a decrease of 9.36 per cent from the previous year, and there was a corresponding decline of 10.33 per cent in net income, which totaled $23,011,720, compared with $25,661,506 for 1953.

Loaded cars handled in 1954 decreased only 4.24 per cent, but freight revenues were down 10.54 per cent to $206,301,405, compared with $230,610,550 in 1953. An important factor in this decline was the curtailed movement of ammunition and explosives which alone accounted for a 4.03 per cent decrease in revenues. The decreased revenues derived from traffic in manufactures and miscellaneous products, 15.76 per cent below that category for 1953, reflected to a large degree the inventory adjustments that were a nationwide characteristic of the economy.

Operating expenses were 6.30 per cent lower than in 1953—$190,333,761 compared with $203,124,368—indicating a continuing effort to keep costs under control. The operating ratio was 75.42 per cent compared with 72.96 per cent for the previous year.

Passenger revenue was $18,917,207, compared with $20,349,507 in 1953, a decrease of 7.04 per cent. Express revenue dropped 10.13 per cent to $3,491,260. However, mail revenue increased 5.79 per cent to $11,696,538 compared with $11,056,673 for the previous year.

The Company continued its program of improvements to the property to enable it to serve the public more efficiently and to obtain the economical advantages of more modern equipment and facilities.

During the year 1954, gross capital expenditures amounted to $27,302,840 and since the end of World War II, gross capital expenditures have totaled $289,352,773.

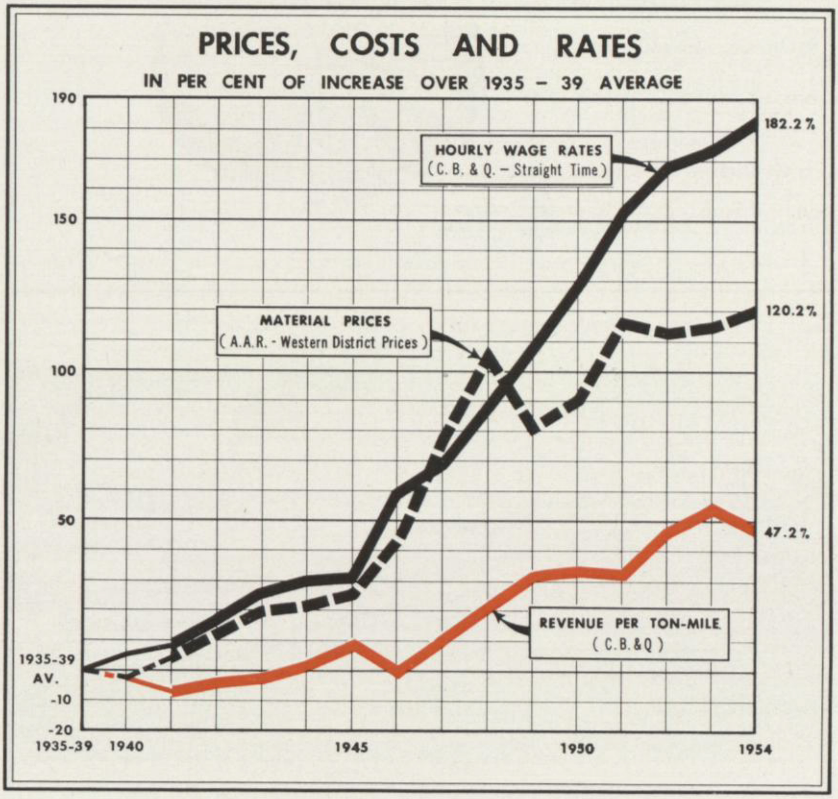
Capital expenditures 1946–1954, inclusive

	Gross	Retirements	Net
Road and General	$ 98,704,334	$27,761,968	$ 70,942,366
Equipment	190,648,439	56,658,439	133,990,000
Total	$289,352,773	$84,420,407	$204,932,366

Capital Expenditures by years 1946-1954, inclusive

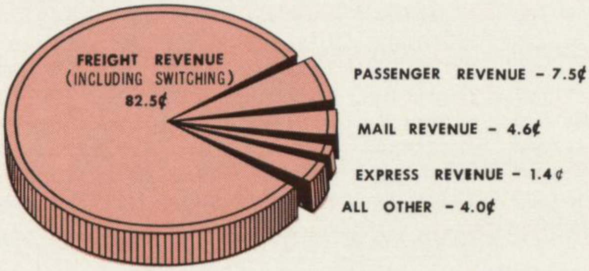
	Gross		Retirements		Net	
Year	Road & General	Equipment	Road & General	Equipment	Road & General	Equipment
1946	$7,589,022	$10,325,617	$2,456,665	$4,293,309	$5,132,357	$6,032,308
1947	8,579,787	22,387,809	1,984,481	4,533,130	6,595,306	17,854,679
1948	11,201,800	23,730,001	2,507,110	3,642,879	8,694,690	20,087,122
1949	9,256,970	19,161,939	2,645,945	3,677,817	6,611,025	15,484,122
1950	12,351,007	22,524,912	2,591,619	6,380,550	9,759,388	16,144,362
1951	8,647,919	21,080,167	2,701,451	7,575,134	5,946,468	13,505,033
1952	18,567,860	21,193,836	3,933,614	7,049,231	14,634,246	14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
Total	$98,704,334	$190,648,439	$27,761,968	$56,658,439	$70,942,366	$133,990,000

Notwithstanding substantial increases in wages and material prices, these large capital expenditures have made it possible for the Company to improve efficiency and economy of operation without commensurate increases in freight rates and passenger fares.

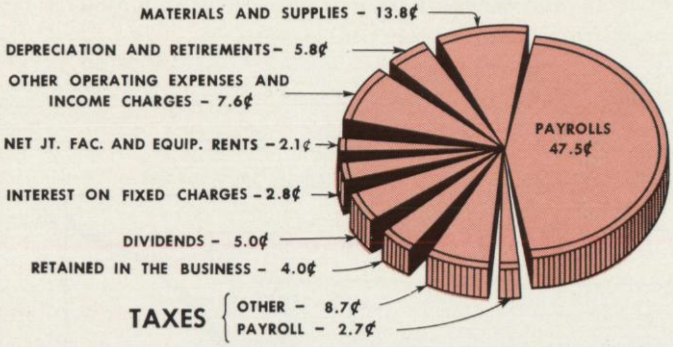


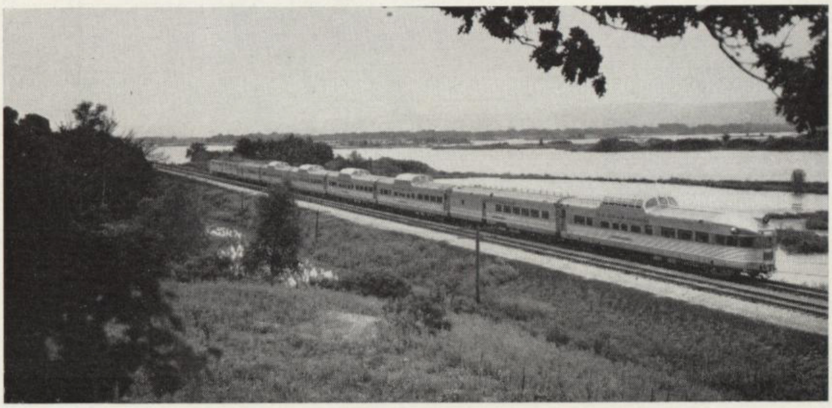
OUR 1954 INCOME DOLLAR

WHERE IT CAME FROM



WHERE IT WENT





Southbound Twin Cities Zephyr along Mississippi River.

FREIGHT TRAFFIC

Revenue tons carried in 1954 were 47,616,718 compared with 50,236,447 in 1953, a decrease of 2,619,729 or 5.21 per cent. Carloads of revenue freight decreased 61,588 or 4.24 per cent and freight train miles decreased 678,460 or 4.70 per cent.

Average revenue per ton mile decreased from 1.371 cents in 1953 to 1.313 cents in 1954, or 4.23 per cent, principally because of changes in the consist of traffic.

Average load per car of carload traffic decreased from 34.3 tons in 1953 to 34.0 tons in 1954.

Source of Freight Revenue

	1954 Revenue*	Per Cent of Total	Per Cent Change from 1953	
			Increase	Decrease
Products of Agriculture	$ 45,954,770	20.65		.74
Animals and Products	18,207,047	8.18		.95
Products of Mines	34,098,609	15.32		10.74
Products of Forests	13,454,899	6.04	.43	
Manufactures and Miscl.	93,169,926	41.86		15.76
Forwarder Traffic	10,010,889	4.50		5.21
Less Carload Freight	7,686,708	3.45		9.81
Total	$222,582,848	100.00		9.51

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $206,301,405.

Chicago-bound freight train near Naperville, Illinois.

AGRICULTURE AND LIVESTOCK

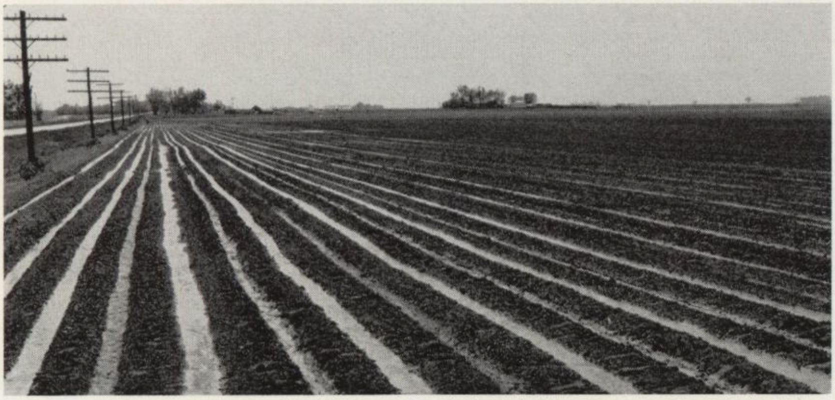
Production of major farm crops during 1954 in states served by the Company was reduced by dry weather and government acreage control programs. Wheat decreased 11.1 per cent from 1953 and 12.4 per cent from the average for the ten-year period, 1943-1952. Corn production also declined 9.9 per cent from the previous year. Other crop reductions were: potatoes 8.4 per cent, sugar beets 5.6 per cent, and edible beans 4.7 per cent.

Crop results were not all adverse, however, for more acreage was devoted to crops not under government control with consequent increases above 1953 levels of 48.2 per cent in barley, 28.5 per cent in oats, and 24.4 per cent in soybeans. Hay production rose 2.3 per cent above the 1953 crop, and 10.4 per cent above the ten-year average.

The government acreage control program continues as a restraint on crops, being the principal factor in the reduction of acreage planted to winter wheat in the fall of 1954 in CB&Q states. This acreage is 3.5 per cent below the previous year and 13.7 per cent under the 1943-1952 average. Except for Colorado and Wyoming, where poor moisture conditions still prevail, the crop is in good condition.

Stocks of grain in storage have continued to increase. Wheat storage was up 8.9 per cent, corn 3.7 per cent, barley 32.1 per cent, and oats 26.0 per cent.

During 1954 the agricultural department cooperated with federal, state, county, and local agricultural agencies to improve agriculture in the territory served by the Company. Under a cooperative campaign about 100,000 acres of land in Nebraska were put under irrigation from wells.



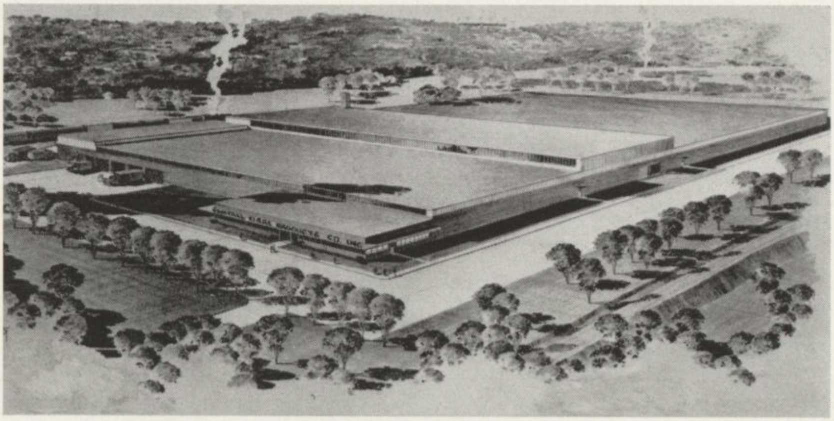
Irrigated field near Scottsbluff, Nebraska.

Cattle on feed at the close of 1954 increased 4.7 per cent over the previous year and 12.6 per cent above the ten-year (1943-1952) average. Sheep and lambs on feed decreased 20.6 per cent. Estimates indicate a 5.2 per cent increase in swine production.

INDUSTRIAL DEVELOPMENT

Industrial development in 1954 was again very active. New industrial leases made on CB&Q-owned land totaled 568. Sixty-four new industries were located on private ground available to our service or on sites purchased from the Company and 41 industries served by our line enlarged their plant facilities. Forty-seven new industrial tracks or track extensions were built. A twenty-acre tract suitable for industrial development was purchased at Streator, Illinois.

During the year, the industrial department cooperated with Chambers of Commerce and other agencies to attract industries to towns served by the Burlington.


CENTRAL FIBRE PRODUCTS CO. INC.

New box plant of Central Fibre Products Company, Inc. at Omaha.

An attractive new industrial brochure has been prepared showing aerial photographs, sketch maps, and information about fifty-one parcels of land suitable for industry locations on the Burlington Lines. The brochure will be used in industrial survey work. Copies are being distributed to survey engineering firms and industries that are periodically in the market for new plant locations.

PASSENGER TRAFFIC

Revenue passengers, exclusive of commutation traffic, carried in 1954 increased 155,122 or 3.44 per cent over 1953; revenue passenger miles decreased 61,259,746 or 7.81 per cent under 1953. The average distance traveled per passenger was 155.2 miles in 1954, a decrease of 18.9 miles or 10.86 per cent under 1953. The average revenue per passenger mile was 2.33 cents in 1954 compared with 2.37 cents in 1953, a decrease of 1.69 per cent.

Passenger revenue from commutation fares (multiple-ride tickets to and from Chicago only) was $2,080,627 for 1954, an increase of $332,014 or 18.99 per cent over 1953.

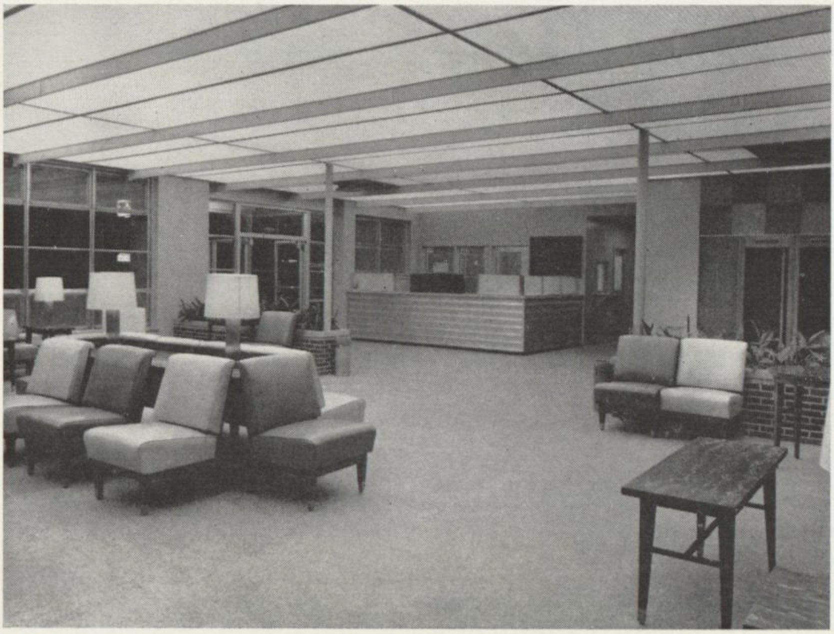
Two new passenger stations, at Hannibal, Missouri, and Quincy (West Station), were dedicated and opened for traffic. The Hannibal dedication was held on September 16, 1954, and the Quincy ceremony on November 11, being combined with the celebration of the twentieth anniversary of the Pioneer Zephyr.

Civic and business leaders of Omaha were guests of the railroad at a reception marking the completion of the remodeling of the interior of the Omaha passenger station and the construction of a new parking plaza for Burlington patrons.

New parking plaza and station entrance at Omaha passenger station.

A new union passenger station at Atchison, Kansas, constructed jointly by four railroads including CB&Q, was dedicated June 26, 1954.

Vista Dome coaches and sleepers were added to the North Coast Limited trains during the late summer and fall. Each train has two Vista Dome coaches and two Vista Dome sleepers, one of each being operated daily between Chicago and Portland, Oregon, and one each between Chicago and Seattle, Washington. Dome cars are to be added to the Empire Builder trains between Chicago and Seattle and Chicago and Portland during the summer and fall of 1955.



Waiting room in new Hannibal, Missouri, passenger station.

Pursuant to our program of promoting student educational trips by rail, the Company handled approximately 22,000 students making educational trips during the school year September 1953 through June 1954. On May 15, four special trains from various points in Iowa and Illinois to Chicago were operated with a total of 3,685 students and adult escorts.

Unprofitable Passenger Trains—Continuing its efforts to reduce unprofitable passenger service, the Company eliminated certain of these light-traffic trains entirely, and discontinued service on some for one day each week. These efforts resulted in a saving of 259,756 train miles per annum.

Modern new passenger station serving Quincy, Illinois.

RATE CHANGES

Passenger

The United States tax on passenger transportation was reduced from 15 per cent to 10 per cent, effective April 1, 1954.

Mail

Recently the major western railroads agreed to a "space used" basis for computation of mail pay, resulting in about a 6 per cent decrease in our mail revenue.

The Post Office Department continues to divert mail to the highways. There are now in existence more than 500 truck routes for the transportation of storage mail and a few Highway Post Offices for the distribution of mail enroute. The highway carriers do not furnish terminal space or terminal handling as do the railroads, so that the saving claimed by the Post Office, in many cases, may be open to some question.

In the year ending September 30, 1954, the Post Office diverted to eastern air carriers about 7,000,000 ton-miles of first-class mail formerly handled by railroads, and during the fourth quarter of that year similar service was established on the Pacific Coast, which it is estimated will divert at least as much. The western railroads directly affected have filed suit challenging the legality of flying mail not bearing air postage, and a Federal District Judge in the District of Columbia has upheld them. The Government has served notice of an appeal from this decision.

In view of the importance of the railroads to the economy of the country and national defense, and since air-mail service at higher postage rates is available to those requiring exceptional speed, it is to be hoped the continued diversion of this ordinary first-class mail from rail to air-mail service will be discontinued.

Express

During the year, selective adjustments in express rates were made, in an effort to stimulate additional traffic.

OPERATIONS

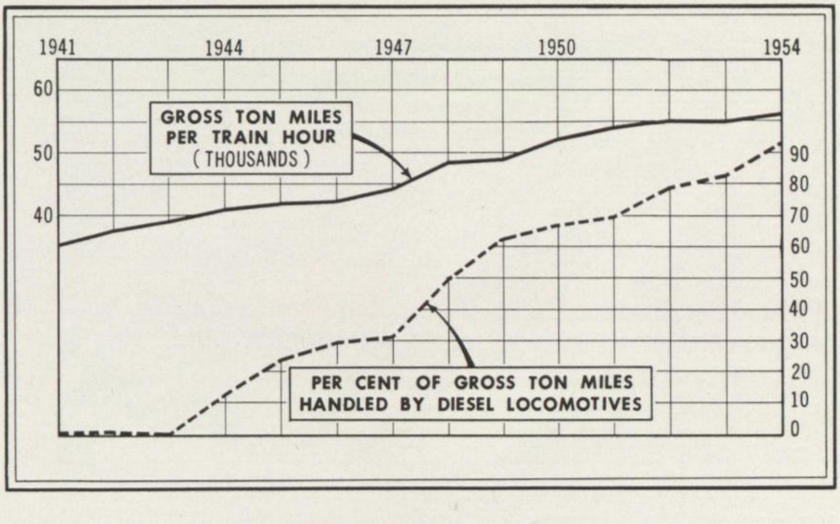
Maintenance of Way and Structures expenses, excluding depreciation and retirements, decreased $13,398,756 or 30.61 per cent compared with 1953. Some of the important maintenance work performed during the year was:

Track relaid with new 129-lb. T.R. rail	**33.85 miles**
Track relaid with new 112-lb. T.R. rail	**98.36 miles**
Track relaid with secondhand 112, 100 and 90-lb. rail	**74.68 miles**
New creosoted ties placed in track	**540,000**
Ballast applied	**350,000 cu. yards**

Maintenance of Equipment expenses, excluding depreciation and retirements, increased $2,033,015 or 6.47 per cent over 1953. The increase was due principally to the fact that 4,734 freight cars were given general repairs, compared with 3,944 in the previous year. All equipment was currently maintained.

Transportation expenses decreased $2,389,122 or 2.44 per cent. The transportation ratio in 1954 was 37.89 per cent compared with 35.20 per cent in 1953.

The per cent of gross ton miles handled by diesel locomotives increased, resulting in some further increase in the gross ton miles per train hour, as illustrated by the chart.



IMPROVEMENTS

Net capital expenditures in 1954:

Road	$6,530,138
Equipment	6,393,928
General	Cr. 208,753
Total	$12,715,313

Road

Capital charges for improvement and replacement of bridges amounted to $573,030.

Major improvements completed during the year:
Rearrangement of Florence Yard, St. Joseph, Missouri.

A more efficient track arrangement, including wider track centers, was provided, which will reduce the switching time and expedite dispatching of trains.

Construction of new terminal freight house No. 9, rearrangement of yard tracks, and relocation of main line tracks to north side of yard at Cicero, Illinois.

This modern freight terminal is in a less congested area adjacent to the freight yard and provides more economical and efficient handling of less carload and carload freight traffic.

The relocation of the main line tracks to the north side of the yard removed the separation between the inbound and outbound yards, thereby eliminating many crossover movements of switch engines and cars between the two yards. This also expedited outbound freight trains and transfer traffic.

BURLINGTON

New freight house completed in 1954 at Cicero, Illinois.

Construction of addition to freight house No. 10 at Chicago, Illinois.

Traffic handled at this house had increased to the point where this addition was necessary to provide expeditious handling.

Construction of passenger station at Hannibal, Missouri.

This station is a new modern building in keeping with the present requirements. It is owned solely by the CB&Q. The old station was originally a union station and was 93 years old.

Construction of passenger station at Quincy (West Station).

This is a new modern lannon stone station with parking space for 64 automobiles. All passenger handling facilities are now consolidated at Quincy (West Station), permitting faster and more efficient operation of the Kansas City line.

Improvements to passenger station at Omaha, Nebraska.

Improvements to the Omaha Passenger station include a new entrance for automobile traffic on the south side of the station, construction of a new driveway, and a parking plaza with space for 104 automobiles. The waiting room and ticket office were refurbished.

Omaha passenger station waiting room with new entrance and furniture.

Grade and line changes M.P. 32 to M.P. 59 between Monroe City and Clarence, Missouri.

The distance was reduced 304 feet, curvature reduced 46°27′, and the grade was raised through sags.

Grade and line changes M.P. 223 to M.P. 254 between Plymouth and Ewbanks, Illinois.

The distance was reduced 101 feet, the curvature reduced 49°15′, and grade was raised through the sags.

Major improvements still under construction:

Construction of mechanical facilities and yard office at Quincy (West Station).

This project will improve the operation of the Kansas City service with the consolidation of all passenger and freight handling facilities at Quincy (West Station).

Construction of warehouse at Denver, Colorado.

This will provide a new distribution warehouse at a location more suitable for expeditious handling of traffic.

Installation of automatic block signals and centralized traffic control between Galesburg and Quincy, Illinois.

This will modernize the signaling with resultant reduction in the speed restrictions in that territory.

Installation of centralized traffic control between Pacific Junction, Iowa, and Lincoln, Nebraska.

This improved signaling will expedite important train movements between these points. When completed all single track sections of the Chicago-Denver line will have been equipped with centralized traffic control.

Installation of cab signal system between Chicago and Aurora, Illinois.

This will promote efficiency of operations.

Installation of diesel servicing facilities at St. Joseph, Missouri.

This will provide additional diesel facilities required because of conversion from steam to diesel power.

Grade and line changes between M.P. 218.14 and M.P. 222.73 near Plymouth, Illinois.

This will reduce distance 1,246 feet and curvature 208°59′, thereby improving train operations.

Line changes at Bellevue, Nebraska.

This change is necessary as the Government required part of our present property for the enlargement of the Offutt Army Air Base.

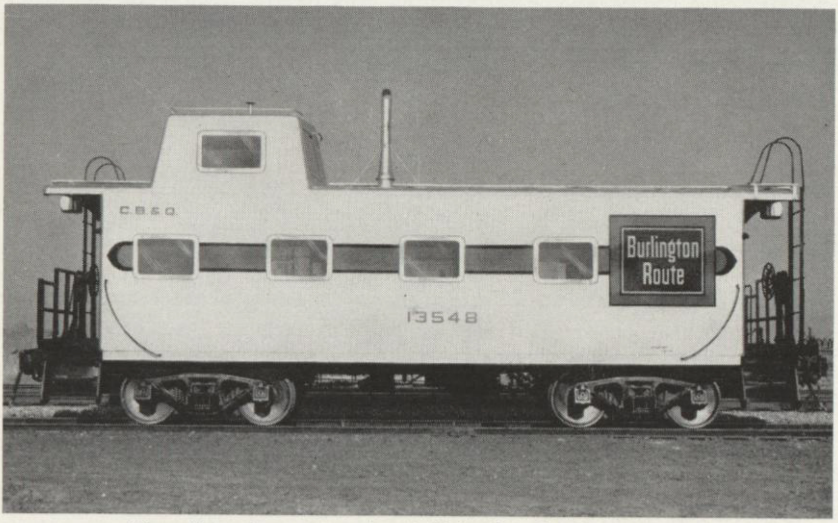
Raising grade 3 feet at Bridge 123.01 near Wheeling, Missouri.

This will provide additional head room and increase the opening from 132 feet to 190 feet.

Equipment

Built in Company Shops:

35—All steel way cars.



New all-steel way car, electric lighted and radio equipped.

Purchased:

200—40′ 50-ton refrigerator cars equipped with meat rails.
115—29′6″ 50-ton all steel airslide covered hopper cars.
30—41′ 70-ton all steel covered hopper cars.
15—30 yard all steel air dump cars.
20—1750 h.p. SD-9 Diesel-electric road-switch locomotives.
20—1750 h.p. GP-9 Diesel-electric road-switch locomotives.
2—1500 h.p. GP-7 Diesel-electric road switch locomotives.
6—2400 h.p. E-9 Diesel-electric passenger locomotives.
20—Tourist sleeping cars—all steel.
2—85′ stainless steel dome coaches.
2—85′ stainless steel dome sleepers.
1—Mail-dormitory car—all steel.
1—Coach-buffet-lounge car—all steel.

Equipment on order, delivery expected in 1955:

To be built in Company Shops:

200—29′3″ 70-ton all steel covered hopper cars.
100—50′6″ 50-ton all steel DF box cars.
150—40′ 50-ton refrigerator cars equipped with meat rails.

To be purchased:

85—29′6″ 50-ton all steel airslide covered hopper cars.
1—50′ 70-ton mechanical refrigerated car.
3—85′ stainless steel dome coaches.
1—85′ stainless steel full dome-lounge.

SIGNALS

Major items of signaling completed during 1954 included the placing in service of centralized traffic control from Pacific Junction, Iowa, to South Bend, Nebraska, and Ashland to Lincoln, which are segments of the installation between Pacific Junction and Lincoln, leaving only that part through the Omaha Passenger Station to be completed by the spring of 1955.

On the line between Galesburg and Quincy, Illinois, automatic block signals were completed between Galesburg and Bushnell, Illinois; the installation of CTC between Bushnell and Quincy is being progressed and should be completed in the fall of 1955.

Eight installations of modern highway crossing protection were also completed, the majority of which replaced manual protection.

The cab signal system for passenger train operation between Chicago and Aurora, Illinois, was completed and placed in service in the early part of 1954.

FLOOD DAMAGE

Heavy rains which began the evening of October 9 and continued through October 10 caused the Chicago River to overflow, flooding the tracks and lower levels of Chicago Union Station and CB&Q Freight Houses Nos. 1 and 2. It was necessary to discontinue passenger train service into the Union Station from the evening of October 10 until the afternoon of October 11. During this time passenger trains were handled in and out of the CB&Q 14th Street coach yards.

On the Aurora Division, heavy rains also damaged eastbound main line tracks between Bristol and Montgomery, forcing interruption of service from 4:00 P.M., October 11, to 7:00 A.M., October 15. The Aurora-Savanna single main line was out of service from 11:50 A.M., October 12, until the night of October 14. Service also was interrupted on various branch lines in northern Illinois and water damage was heavy in the freight yards at Aurora and Eola.

LINE ABANDONMENT

On March 25, 1954, the Interstate Commerce Commission authorized abandonment of our line of railroad between Zearing and Kasbeer, Bureau County, Illinois, a distance of approximately 8.16 miles. The line was abandoned on April 24, 1954. Several other potential abandonments are under consideration.

LABOR

On August 13, 1954, an Arbitration Board awarded the Brotherhood of Locomotive Engineers the same rule changes and wage increases previously granted trainmen, firemen and conductors. The award provides for a third week vacation after fifteen years of service, inclusion of the cost-of-living adjustment of thirteen cents per hour in basic rates, and an increase of five cents per hour, effective December 16, 1953. The award means an increase in CB&Q payroll expense of approximately $365,000 per year.

Conference committees representing the railroads and the non-operating labor organizations reached an agreement on August 21, 1954. The agreement provides for a third week vacation after fifteen years of service, paid holidays, and hospital, medical, and surgical expense insurance for which each employe will contribute $3.40 per month and the Company a like amount. The entire agreement will increase CB&Q operating expenses approximately $3,171,000 per year. The agreement also contained some rule changes sought by the carriers.

On December 3, 1954, an agreement was made with non-operating labor organizations incorporating existing cost-of-living adjustment of thirteen cents per hour in basic rates and canceling the escalator provision.

Towveyor chain moving trucks on platform in new freight house at Cicero, Ill.

SAFETY AWARD

The E. H. Harriman Memorial Certificate of Commendation was awarded to the CB&Q during the year in recognition of the Company's outstanding safety performance among Group A railroads (those having ten million or more locomotive miles a year) in the Western District in 1953. The presentation was made on September 16 at the annual award dinner of the American Museum of Safety. The CB&Q previously had won the E. H. Harriman Gold Medal Award for safety in 1934 and 1948.

PASSENGER AWARD

The quality of Burlington's passenger service once again merited national recognition during 1954 when the Federation for Railway Progress presented its passenger service award for performance during 1953.

The award plaque presented by the FRP bears the following inscription:

> "In recognition of outstanding achievement in progressive railroad passenger service the members of the Federation for Railway Progress on behalf of America's travelers present this passenger service award for 1953."

The CB&Q previously received the FRP award for 1947.

Grain elevator adjacent to CB&Q tracks at Omaha, one of the contributing sources of Burlington revenues.

FINANCIAL

During 1954 capital liabilities of the Company decreased $403,405:

	Increase	Decrease	Net
Funded Debt..........	$	$ 2,365,000	$ 2,365,000 Decrease
Equipment Obligations	12,150,000	10,188,405	1,961,595 Increase
Total...........	$12,150,000	$12,553,405	$ 403,405 Decrease

The total interest charges for 1954 increased $356,586.

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1954, the ninety-third consecutive year in which the Company has paid a dividend.

TAXES

Tax accruals in 1954 decreased $10,568,081 compared with 1953.

	1954	
Federal income taxes...............	$11,681,714	$10,657,655 Decrease
Federal Railroad Retirement taxes...	6,406,833	236,836 Decrease
Federal Unemployment taxes........	511,637	19,393 Decrease
State and Other Government taxes...	10,389,197	345,803 Increase
Total....................	$28,989,381	$10,568,081 Decrease

Total taxes in 1954 amounted to 11.49 per cent of total operating revenues, equivalent to $16.97 per share of capital stock. It is perhaps significant that the tax accruals took from the Company's earnings **more than twice** the amount of the dividends paid to its owners.

As explained in the Annual Reports for the past several years, the Company has had the benefit of deducting amortization of certain newly acquired equipment over a 60-month period for the purpose of computing income taxes, but only normal depreciation charges have been included in the income account.

The Interstate Commerce Commission, in its Annual Report, states:

> "Carriers are not permitted to write off to operating expenses over a 5-year period the amortization, or depreciation, allowances for equipment and facilities certified by defense agencies of the Government, even though such allowances, as an incentive for expansion of defense facilities, are treated as deductions for income tax purposes under section 124A of the Internal Revenue Code. Carriers now record on their books and in income reports depreciation on property by charges to operating expenses on a "straight-line" basis over its full estimated service life. During the early life of emergency defense property, depreciation charges are therefore recorded in carriers' books and income reports in amounts considerably less than those included as deductions in tax returns. In later years, the depreciation charges will continue to be charged to operating expenses on the books under the "straight-line" depreciation method, even though tax deductions, taken in full in early years, will cease and, other things being equal, taxes payable will increase accordingly."

The effect of this ruling was that the net income for the year 1954 **was inflated** by $4,618,826.

GOVERNMENT LITIGATION

Previous Annual Reports have mentioned the seventeen complaints against the railroads, filed with the Interstate Commerce Commission by the United States, seeking reparation for alleged unreasonable freight charges on shipments of war materials. Two Examiners, in a proposed report released July 23, 1953, recommended that the Commission find that the rates charged were not unjust or unreasonable and dismiss the complaints. The Department of Justice filed exceptions to the proposed report on March 31, 1954, and the railroads filed their reply to such exceptions on July 31, 1954. The case was orally argued before the entire Commission on November 29-December 2, 1954*.

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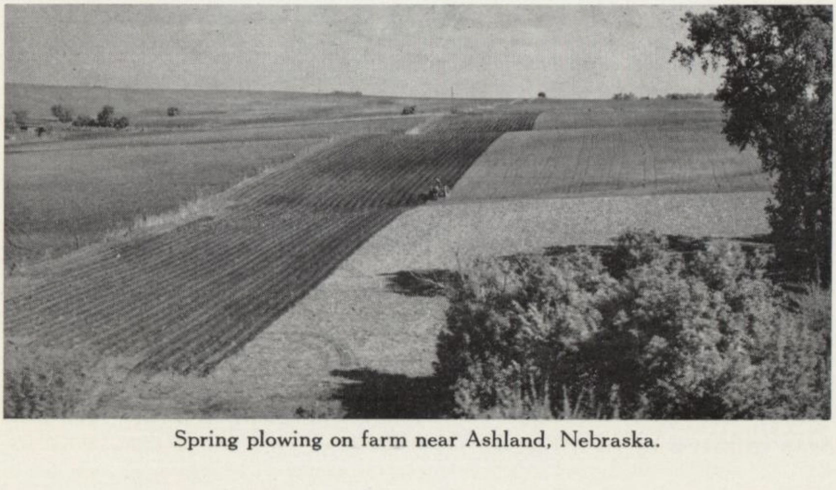
*All of these complaints were dismissed by the I.C.C. on April 1, 1955.

EMPLOYE BENEFITS

The Relief Department paid out $752,453 in disability and death claims to 3,926 employes during the calendar year 1954.

The Company paid federal taxes of $6,406,833 to provide for old-age and disability retirement of employes. The Company also paid a federal railroad unemployment insurance tax of $511,637.

Congress amended the Railroad Retirement and Railroad Unemployment Insurance Acts to provide for an increase from $300 to $350 per month in the maximum compensation subject to those acts, effective July 1, 1954. These amendments will increase the annual payment by the Company under the Railroad Retirement Act about $525,000 and under the Railroad Unemployment Insurance Act about $42,000.



Spring plowing on farm near Ashland, Nebraska.

BURLINGTON TRUCK LINES, INC.

During the year, Burlington Truck Lines, Inc., a wholly-owned subsidiary, had a net profit of $192,334 compared with a net loss of $4,405 in 1953.

Operating revenues were $7,276,138, an increase of $1,408,471 or 24.00 per cent over 1953.

Operating expenses were $6,470,785, an increase of $1,000,784 or 18.30 per cent over 1953.

The revenue ton miles were 76,178,994, an increase of 11,655,714 or 18.06 per cent over 1953. Truck miles operated over 5,234 route miles were 9,922,358, an increase of 1,299,767 or 15.07 per cent over 1953. Average haul per ton was 245.55 miles, an increase of 3.08 miles or 1.27 per cent over 1953.

Units of revenue freight equipment owned as of December 31, 1954, compared with December 31, 1953, were as follows:

	1954	**1953**
Trucks	145	157
Truck-tractors	222	232
Semi-trailers	426	346

Cost of additional revenue freight equipment was $737,946, of which $691,846 was financed under conditional sale agreements.

Burlington Truck Lines are performing the pickup and delivery service for CB&Q at 36 points, the work at 12 points having been added in 1954.

During the year, trailer-on-flat car (piggy-back) operations, inaugurated by the Company in 1941, were expanded. Presently, 55 flat cars are used in such service between Chicago and other important stations on the CB&Q.

Burlington
TRUCK LINES INC
Burlington
CB&Q
91 702

CHANGES IN ORGANIZATION

The following officers retired under the Pension Rules during 1954:

- Mrs. Edith J. Alden, Secretary and Assistant Treasurer, after 36 years of service with the Company.
- Mr. J. L. Rice, General Solicitor, after 44 years of service with the Company.
- Mr. H. A. Aalberg, Chief Engineer, after 44 years of service with the Company.

Mr. Eldon Martin, formerly General Counsel, was elected Vice President and General Counsel, effective June 1, 1954, after 24 years of service with the Company.

Mr. A. D. McLane, formerly Assistant Secretary, was elected Secretary and Assistant Treasurer, effective June 1, 1954, after 43 years of service with the Company.

Mr. Carl W. Krohl, formerly General Attorney, was appointed General Solicitor, effective December 1, 1954, after 43 years of service with the Company.

Mr. R. T. Cubbage, formerly Corporation Counsel, was appointed Assistant General Counsel, effective December 1, 1954, after 17 years of service with the Company.

IN MEMORIAM

It is with deep regret that the Directors record the death on June 5, 1954 of Mr. Edward Flynn, who entered the service of the Burlington in 1897 and served successively as Brakeman, Conductor, Trainmaster, Assistant Superintendent, Superintendent, General Superintendent, General Manager, Operating Vice President, and in 1935 was elected Executive Vice President, which position he held until his retirement in 1947.

Mr. Flynn served as a Director of the Company from May 1, 1935, and a member of the Executive Committee from May 4, 1938, until his death.

In the death of Edward Flynn, the Burlington lost an officer and director whose invaluable experience cannot be replaced, and who earned and held the respect of all who knew him.

* * * * *

By order of the Board of Directors,

H. C. MURPHY, President

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 36 to 38)

Percent of Ry. Oper. Revenue	1954	Railway Operating Revenues	1953	Percent of Ry. Oper. Revenue
81.75	$206,301,405	Freight	$230,610,550	82.83
7.50	18,917,207	Passenger	20,349,507	7.31
4.64	11,696,538	Mail	11,056,673	3.97
1.38	3,491,260	Express	3,884,955	1.39
1.76	4,451,003	All other transportation	4,739,439	1.70
2.61	6,580,987	Incidental	6,820,710	2.46
.36	914,314	Joint facility	951,978	.34
100.00	252,352,714	Total railway operating revenues	278,413,812	100.00
Operating Ratios		**Railway Operating Expenses**		Operating Ratios
14.03	35,419,111	Maintenance of way and structures	49,071,802	17.63
17.11	43,180,519	Maintenance of equipment	40,018,049	14.37
2.42	6,098,579	Traffic	6,092,985	2.19
37.89	95,609,781	Transportation	97,998,903	35.20
1.33	3,352,454	Miscellaneous operations	3,380,783	1.21
2.64	6,673,317	General	6,561,846	2.36
75.42	190,333,761	Total railway operating expenses	203,124,368	72.96
24.58	62,018,953	Net revenue from railway operations	75,289,444	27.04
	11,681,714	Federal income taxes	22,339,369	
	6,918,470	Federal payroll taxes	7,174,699	
	10,389,197	All other taxes	10,043,394	
	* 28,989,381	Total taxes	* 39,557,462	
	33,029,572	Railway operating income	35,731,982	
	Dr. 3,317,506	Hire of equipment—Net	Dr. 3,762,689	
	Dr. 1,963,537	Joint facility rents—Net	Dr. 2,089,631	
	27,748,529	Net railway operating income	29,879,662	
		Other Income		
	878,475	Rentals	791,448	
	1,446,039	Dividends and interest	1,600,366	
	43,184	Miscellaneous	87,284	
	2,367,698	Total other income	2,479,098	
	30,116,227	Total income	32,358,760	
		Deductions from Total Income		
	47,141	Rents payable	25,224	
	139,229	Taxes on nonoperating property	99,411	
	274,947	Miscellaneous income charges	286,337	
	461,317	Total deductions	410,972	
	29,654,910	Income available for fixed charges	31,947,788	
		Fixed Charges		
	51,520	Rent for leased roads and equipment	52,906	
	6,543,395	Interest on funded debt	6,186,809	
	1,401	Interest on unfunded debt	4,530	
	46,874	Amortization of discount on funded debt	42,037	
	6,643,190	Total fixed charges	6,286,282	
	23,011,720	Net income after fixed charges	25,661,506	
		Disposition of Net Income		
	12,812,902	Dividend appropriations of income	12,812,902	
	$ 10,198,818	Balance of income transferred to Earned Surplus	$ 12,848,604	

*See Page 21—"Taxes"

GENERAL BALANCE SHEET

December 31, 1954

ASSETS

INVESTMENTS:		
Road and equipment property		$853,596,407
Accrued depreciation—road and equipment	$157,787,746	
Accrued amortization of defense projects—road and equipment	41,310,983	199,098,729
Total investment road and equipment less depreciation and amortization		654,497,678
Capital and other reserve funds		5,472,567
Miscellaneous physical property		7,976,430
Investments in affiliated companies:		
Stocks	$ 26,006,007	
All other	11,699,616	37,705,623
Other investments:		
Stocks	$ 3,690,361	
Bonds	4,175,023	
All other	6,148	7,871,532
Total investments less depreciation and amortization		$713,523,830
CURRENT ASSETS:		
Cash		31,843,605
Temporary cash investments		17,630,314
Special deposits		1,151,555
Loans and bills receivable		6,940
Net balance receivable from agents and conductors		3,704,286
Miscellaneous accounts receivable		7,130,228
Material and supplies		18,086,445
Interest and dividends receivable		39,886
Accrued accounts receivable		5,759,638
Other current assets		787,833
Total current assets		86,140,730
DEFERRED ASSETS:		
Working fund advances		199,609
Other deferred assets		979,813
Total deferred assets		1,179,422
UNADJUSTED DEBITS:		
Prepayments		464,867
Discount on funded debt		360,586
Other unadjusted debits		2,850,010
Total unadjusted debits		3,675,463
Grand Total		$804,519,445

GENERAL BALANCE SHEET

December 31, 1954

LIABILITIES

CAPITAL STOCK:		
Common stock—Par value $100 per share		$170,839,100
LONG-TERM DEBT:		
Funded debt unmatured (Page 32):		
Total book liability	$324,262,100	
Less held by or for the company	178,330,100	145,932,000
Equipment obligations (Page 32)		69,660,042
Amounts payable to affiliated companies		1,288,420
Total long-term debt		216,880,462
CURRENT LIABILITIES:		
Traffic and car service balances—Cr.		2,597,400
Audited accounts and wages payable		11,352,266
Miscellaneous accounts payable		3,613,584
Interest matured unpaid		168,027
Unmatured interest accrued		2,125,865
Accrued accounts payable		4,634,602
Taxes accrued		19,867,878
Other current liabilities		3,164,472
Total current liabilities		47,524,094
DEFERRED LIABILITIES:		
Other deferred liabilities		681,883
UNADJUSTED CREDITS:		
Premium on funded debt		328
Insurance reserves		1,392,996
Other unadjusted credits		9,680,050
Accrued depreciation—leased property		88,427
Total unadjusted credits		11,161,801
SURPLUS:		
Unearned surplus		303,006
Earned surplus—appropriated (Page 28)		48,025,460
Earned surplus—unappropriated (Page 28)		309,103,639
Total surplus		357,432,105
Grand Total		$804,519,445

COMPARATIVE STATEMENT OF UNAPPROPRIATED EARNED SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1954	1953	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$306,384,993	$293,406,075	$ 12,978,918	....
Credit balance transferred from income	10,198,818	12,848,604	....	$ 2,649,786
Miscellaneous credits	2,358,619	186,159	2,172,460	....
Total	$318,942,430	$306,440,838	$ 12,501,592	....
DEBITS:				
Miscellaneous debits	$ 9,838,791	$ 55,845	$ 9,782,946	....
Credit balance carried to balance sheet	309,103,639*	306,384,993*	2,718,646	....
Total	$318,942,430	$306,440,838	$ 12,501,592	....

* Approximate application of Income included in Unappropriated Earned Surplus as of December 31:

	1954	1953
Net working capital retained in the business	$ 36,921,736	$ 44,281,844
Invested in affiliated and non-affiliated companies	20,005,961	22,157,207
Expended in improving the Railroad plant	252,175,942	239,945,942
	$309,103,639	$306,384,993

Appropriated Surplus Income of $48,025,460 (page 27) was expended in retiring Funded Debt prior to year 1928.

INVESTMENT IN ROAD AND EQUIPMENT
YEAR 1954

Account		Additions and Betterments
Engineering		$ 82,942
Land for transportation purposes		412,449
Other right-of-way expenditures		11,995
Grading		323,810
Tunnels and subways		12,052
Bridges, trestles and culverts		377,939
Ties	Cr.	52,322
Rails		446,406
Other track material		497,902
Ballast		345,801
Track laying and surfacing		94,927
Fences, snowsheds and signs		5,553
Station and office buildings		3,986,478
Roadway buildings	Cr.	31,966
Water stations	Cr.	1,051,732
Fuel stations	Cr.	309,870
Shops and enginehouses	Cr.	192,814
Communication systems		50,655
Signals and interlockers		1,311,628
Power plants	Cr.	12,365
Power-transmission systems		5,727
Miscellaneous structures		20,025
Roadway machines		52,903
Roadway small tools		58
Public improvements—Construction		109,235
Shop machinery		52,127
Power plant machinery	Cr.	19,405
Total expenditures for road		6,530,138
Steam locomotives	Cr.	7,700,059
Other locomotives		10,533,286
Freight-train cars		2,740,246
Passenger-train cars		714,473
Work equipment		66,179
Miscellaneous equipment		39,803
Total expenditures for equipment		6,393,928
Organization expenses		48
General officers and clerks	Cr.	13,057
Law	Cr.	7,676
Stationery and printing	Cr.	864
Taxes	Cr.	4,439
Interest during construction	Cr.	176,959
Other expenditures—General	Cr.	5,806
Total general expenditures	Cr.	208,753
Grand Total		$12,715,313

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1954	1953
Actual miles road operated, end of year	8,858.05	8,866.52
Average mileage of road operated—Total	8,860.31	8,866.77
Average mileage of road operated—Freight Service.	8,826.12	8,832.71
Average mileage of road operated—Passgr. Service.	4,903.96	5,085.71
TRAIN MILES		
Freight	13,757,076	14,435,536
Passenger	12,102,298	12,445,025
Total transportation service	25,859,374	26,880,561
Work service	118,550	349,714
LOCOMOTIVE MILES		
Freight	14,142,003	14,988,618
*Passenger	11,423,913	11,618,244
Train and yard switching	6,875,025	7,288,271
Total transportation service	32,440,941	33,895,133
Work service	577,150	860,168
CAR MILES		
Loaded freight cars	564,260,121	597,796,953
Empty freight cars	296,141,328	304,350,531
Sum of loaded and empty	860,401,449	902,147,484
Caboose	13,025,478	13,921,277
Total freight cars	873,426,927	916,068,761
Coach and combination passenger cars	28,821,867	29,925,904
Sleeping and parlor	22,386,449	23,898,302
Club, lounge, dining and observation	9,747,299	9,943,619
Other	43,327,201	46,023,798
Total passenger cars	104,282,816	109,791,623
Total transportation service	977,709,743	1,025,860,384
Work service	1,017,092	2,840,942
FREIGHT SERVICE		
Tons—revenue freight	47,616,718	50,236,447
Tons—revenue and non-revenue freight	50,157,448	54,410,137
Ton-miles—revenue freight	15,709,662,010	16,825,003,317
Ton-miles—revenue and non-revenue freight	16,322,013,500	17,879,067,300
PASSENGER SERVICE		
Passengers carried—revenue	11,035,546	11,153,876
Passenger miles—revenue	837,706,035	902,035,893

*Excludes mileage of combination motor passenger cars:

1954 — 789,430
1953 — 956,945

STATISTICS OF OPERATIONS—Continued

ITEMS	1954	1953
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,559	1,634
Passenger-train miles	2,468	2,447
Transportation service train-miles	2,919	3,032
Transportation service locomotive-miles	3,661	3,823
Freight service car-miles	98,959	103,713
Passenger service car-miles	21,265	21,588
Freight revenue	$23,373.96	$26,108.70
Passenger service train revenue	$ 7,532.40	$ 7,541.82
Operating revenues	$28,481.25	$31,399.69
Operating expenses	$21,481.61	$22,908.50
Net operating revenue	$ 6,999.64	$ 8,491.19
Net railway operating income	$ 3,131.78	$ 3,369.85
Ton-miles—revenue freight	1,773,038	1,897,535
Ton-miles—all freight	1,849,285	2,016,413
Passenger-miles—revenue	94,546	101,732
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	41.02	41.41
Empty freight car-miles	21.53	21.08
Ton-miles—revenue freight	1,141.93	1,165.53
Ton-miles—all freight	1,186.44	1,238.54
Passenger train car-miles	8.62	8.82
Revenue passenger-miles	69.22	72.48
Freight revenue	$ 15.00	$ 15.98
Passenger service train revenue	$ 3.05	$ 3.08
Operating revenues	$ 9.76	$ 10.36
Operating expenses	$ 7.36	$ 7.56
Net operating revenue	$ 2.40	$ 2.80
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	27.84	28.15
Ton-miles—all freight	28.93	29.84
Freight revenue	$ .36561	$ .38577
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	16.60	17.01
Passenger revenue	$ .37500	$ .38367
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	329.92	334.92
Miles hauled—non-revenue freight	241.41	252.55
Miles hauled—all freight	325.42	328.60
Miles carried—revenue passengers	75.91	80.87
Revenue per ton of freight	$ 4.33399	$ 4.59050
Revenue per ton-mile of freight	$ .01313	$ .01371
Revenue per passenger	$ 1.71421	$ 1.82443
Revenue per passenger-mile	$ .02258	$ .02256
Operating ratio	75.42	72.96

FUNDED DEBT

December 31, 1954

	Owned by Company		Outstanding
	Unpledged	Pledged	
GENERAL MORTGAGE			
4% Bonds Due 3-1-1958	$ 7,282,000	(a)$146,542,000	$ 24,590,000
FIRST AND REFUNDING MORTGAGE			
Series B 4½% Bonds Due 2-1-1977	12,423,100		
Series of 1970 4½% Bonds Due 8-1-1970	10,140,000		
Series of 1970 2⅞% Bonds Due 8-1-1970	255,000		(b) 47,230,000
Series of 1985 3⅛% Bonds Due 8-1-1985	1,430,000		(c) 50,634,000
Series of 1990 3% Bonds Due 2-1-1990	258,000		(d) 23,478,000
Total Bonds	$31,788,100	$146,542,000	$145,932,000
EQUIPMENT TRUST CERTIFICATES			
Average interest 2.53%			37,380,000
CONDITIONAL SALE CONTRACTS			
Average interest 2.61%			32,280,042
Total Funded Debt	$31,788,100	$146,542,000	$215,592,042

(a) Pledged under First and Refunding Mortgage.

(b) Annual sinking fund $248,825.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1954

	Increase	Decrease
Bonds redeemed:		
First and Refunding 2⅞% Series of 1970		$ 505,000
First and Refunding 3⅛% Series of 1985		1,354,000
First and Refunding 3% Series of 1990		506,000
Principal of Equipment Obligations retired:		
Equipment Trust of 1944		152,000
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1949—No. 2		206,000
Equipment Trust of 1950		680,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		245,000
Equipment Conditional Sale Contracts		7,379,405
Securities issued:		
Equipment Trust of 1954—No. 1	$ 7,350,000	
Equipment Trust of 1954—No. 2	4,800,000	
	$12,150,000	$12,553,405
Net Decrease		$ 403,405

DESCRIPTION OF MORTGAGES

General Mortgage

The General Mortgage is a first lien on 7,643.56 miles of main and branch line railroad now owned by the Company, including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming, and Montana; is a first lien on all locomotives, cars, and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 305,262 shares of the capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

The General Mortgage contains no provision for redemption of the Bonds or for sinking fund. No additional Bonds may be issued under the Mortgage, but there is no limitation on the right to extend, by agreement with the holders, the maturity of outstanding General Mortgage Bonds.

First and Refunding Mortgage

The First and Refunding Mortgage is secured by the pledge of $146,542,000 principal amount, or 82.1 per cent of the General Mortgage Bonds issued, so that $1,208 principal amount of General Mortgage Bonds are pledged under the First and Refunding Mortgage with respect to each $1,000 principal amount of First and Refunding Mortgage Bonds outstanding in the hands of the public December 31, 1954. The First and Refunding Mortgage is a second lien on all railroad, equipment, and capital stock, on which the General Mortgage is a first lien as above stated, and the First and Refunding Mortgage is a first lien on 478.30 miles of railroad owned by the Company in the States of Wyoming, Montana, Illinois, Wisconsin, and Nebraska, and on certain capital stock of bridge, depot, terminal, and other companies.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Indentures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

Series of 1970 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1953 to July 31, 1957; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅞ August 1, 1953 to July 31, 1957, reduced periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 104½ August 1, 1953 to July 31, 1957; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000, together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 102 August 1, 1953 to July 31, 1957, reduced periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅝ February 1, 1954 to January 31, 1958; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100⅞ February 1, 1954 to January 31, 1958, reduced periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			184.62	577.71
Illinois	1,581.59	387.10	40.94	2.19	1,033.21	3,045.03
Iowa	998.49	249.36			278.28	1,526.13
Kansas	200.49				23.24	223.73
Minnesota	23.09	2.71			38.90	64.70
Missouri	1,165.62	115.90			425.85	1,707.37
Montana	134.53				47.15	181.68
Nebraska	2,674.77	29.32			776.19	3,480.28
South Dakota	183.47				34.59	218.06
Wisconsin	220.25	214.17			64.55	498.97
Wyoming	677.60				214.94	892.54
Total*	8,252.47	999.08	40.94	2.19	3,121.52	12,416.20
Operated under lease or contract	605.58	129.90	.76	.76	450.23	1,187.23
Grand Total*	8,858.05	1,128.98	41.70	2.95	3,571.75	13,603.43

*Includes yard tracks and sidings owned but not operated as follows: Illinois .71 mile, Iowa .71 mile, Nebraska .27 mile, total 1.69 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31, 1953	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1954	Average tractive power all locomotives and average capacity all freight cars
Locomotives—Steam	342		159	183	
—Diesel Road	399	48		447	
—Diesel Switch	168			168	
—Gas-Electric	2			2	
Total Locomotives	911	48	159	800	60,023 Lbs.
Freight-train cars:					
Box	23,544	2	165	23,381	
Flat	1,945	10	29	1,926	
Stock	3,514		10	3,504	
Gondola and Hopper	14,013	145	412	13,746	
Caboose	516	35	7	544	
All classes of freight-train cars	43,532	192	623	43,101	49.87 Tons
Passenger-train cars:					
Coaches	250	5	3	252	
Combination coach	44	2		46	
Parlor	2			2	
Dining	30			30	
Club, lounge and observation	21	2	1	22	
Postal	23			23	
Baggage, express and other nonpassenger	540	6	22	524	
Other passenger cars	15	29	13	31	
Total	925	44	39	930	
Passenger rail motor cars:					
Combination coach	7		2	5	
Other passenger-train rail motor	13		5	8	
Total	20		7	13	
Articulated Zephyr trains	7			7	
Cars in articulated trains‡					
Coaches	11			11	
Combination coach	14			14	
Parlor and sleeping	4			4	
Other passenger-train	11			11	
Total	40			40	
All classes of passenger-train cars	985	44	46	983	
Company service cars:					
Officers' and business	17			17	
Ballast	1,333	16	61	1,288	
Derrick	3			3	
Wrecking	19			19	
Other company service	3,480	152	402	3,230	
All classes of company service cars	4,852	168	463	4,557	
All classes of cars in service	49,369	404	1,132	48,641	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1953	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1954
Diesel-electric locomotive†	1			1
Freight-refrigerator cars*	2,189	200	145	2,244
Freight-flat cars†	26			26
Passenger-refrigerator cars*	24		9	15
Zephyr train cars†	5			5
Sleeping cars#	92	2	4	90

‡8 cars not articulated

*Leased to Burlington Refrigerator Express Co.

#Leased to Pullman Co. (8 cars are articulated)

†Leased to Fort Worth and Denver Ry. Co.

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1954	1953	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$206,301,405	$230,610,550		$ 24,309,145
Passenger	18,917,207	20,349,507		1,432,300
Baggage	41,276	46,987		5,711
Parlor and chair car	145,790	162,799		17,009
Mail	11,696,538	11,056,673	$ 639,865	
Express	3,491,260	3,884,955		393,695
Other passenger-train	190,370	187,688	2,682	
Milk	260,632	270,646		10,014
Switching	3,812,935	4,071,319		258,384
Total	$244,857,413	$270,641,124		$ 25,783,711
INCIDENTAL:				
Dining and buffet	$ 2,195,491	$ 2,396,244		$ 200,753
Station and train privileges	54,208	58,451		4,243
Parcel room	491	778		287
Storage—Freight	47,825	76,132		28,307
Storage—Baggage	4,131	4,587		456
Demurrage	436,435	505,458		69,023
Communication	117,452	122,510		5,058
Power	6,716	7,378		662
Rents of buildings and other property	390,412	338,086	$ 52,326	
Miscellaneous	3,327,826	3,311,086	16,740	
Total	$ 6,580,987	$ 6,820,710		$ 239,723
Joint facility—Cr.	$ 937,745	$ 973,735		$ 35,990
Joint facility—Dr.	Dr. 23,431	Dr. 21,757		1,674
Total	$ 914,314	$ 951,978		$ 37,664
Total railway operating revenues	$252,352,714	$278,413,812		$ 26,061,098

	1954	1953	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 30,376,145	$ 43,774,901	....	$ 13,398,756
Maintenance of equipment	33,466,476	31,433,461	$ 2,033,015	....
Traffic	6,098,579	6,092,985	5,594	....
Transportation	95,609,781	97,998,903	....	2,389,122
Miscellaneous operations	3,352,454	3,380,783	....	28,329
General	6,673,317	6,561,846	111,471	....
Railway operating expenses—excluding depreciation and retirements	$175,576,752	$189,242,879	....	$ 13,666,127
Depreciation and Retirements—				
Road Property	5,042,966	5,296,901	....	253,935
Equipment	9,714,043	8,584,588	1,129,455	....
Total railway operating expenses	$190,333,761	$203,124,368	....	$ 12,790,607
Operating Ratio (For Operating Ratios by general accounts see Page 25)	75.42	72.96	2.46	....
Net revenue from railway operations	$ 62,018,953	$ 75,289,444	....	$ 13,270,491
Railway tax accruals	$ 28,989,381	$ 39,557,462	....	$ 10,568,081
Railway operating income	$ 33,029,572	$ 35,731,982	....	$ 2,702,410
RENT INCOME				
Rent from equipment	$ 2,517,275	$ 2,290,578	$ 226,697	....
Joint facility rent income	746,403	743,823	2,580	....
Total rent income	$ 3,263,678	$ 3,034,401	$ 229,277	....
RENTS PAYABLE				
Rent for equipment	$ 5,834,781	$ 6,053,268	....	$ 218,487
Joint facility rents	2,709,940	2,833,453	....	123,513
Total rents payable	$ 8,544,721	$ 8,886,721	....	$ 342,000
Net rents	Dr.$ 5,281,043	Dr.$ 5,852,320	....	$ 571,277
Net railway operating income	$ 27,748,529	$ 29,879,662	....	$ 2,131,133

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1954	1953	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 6,663	$ 7,125		$ 462
Miscellaneous rent income	591,638	534,589	$ 57,049	
Income from nonoperating property	280,174	249,734	30,440	
Separately operated properties—profit	15,095	10,694	4,401	
Dividend income	1,030,473	970,991	59,482	
Interest income	415,566	629,375		213,809
Release of premiums on funded debt	21	21		
Miscellaneous income	28,068	76,569		48,501
Total other income	$ 2,367,698	$ 2,479,098		$ 111,400
Total income	$ 30,116,227	$ 32,358,760		$ 2,242,533
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 47,141	$ 25,224	$ 21,917	
Miscellaneous tax accruals	139,229	99,411	39,818	
Miscellaneous income charges	274,947	286,337		$ 11,390
Total miscellaneous deductions	$ 461,317	$ 410,972	$ 50,345	
Income available for fixed charges	$ 29,654,910	$ 31,947,788		$ 2,292,878
FIXED CHARGES				
Rent for leased roads and equipment	$ 51,520	$ 52,906		$ 1,386
Interest on funded debt	6,543,395	6,186,809	$ 356,586	
Interest on unfunded debt	1,401	4,530		3,129
Amortization of discount on funded debt	46,874	42,037	4,837	
Total fixed charges	$ 6,643,190	$ 6,286,282	$ 356,908	
Net income after fixed charges	$ 23,011,720	$ 25,661,506		$ 2,649,786
Dividend appropriations of income	$ 12,812,902	$ 12,812,902		
Balance of income transferred to Earned Surplus	$ 10,198,818	$ 12,848,604		$ 2,649,786

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301.405	18,917,207	27,134,102

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

				Average Per Mile of Road Operated		
Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Taxes	Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	63.39
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

FREIGHT AND PASSENGER TRAFFIC

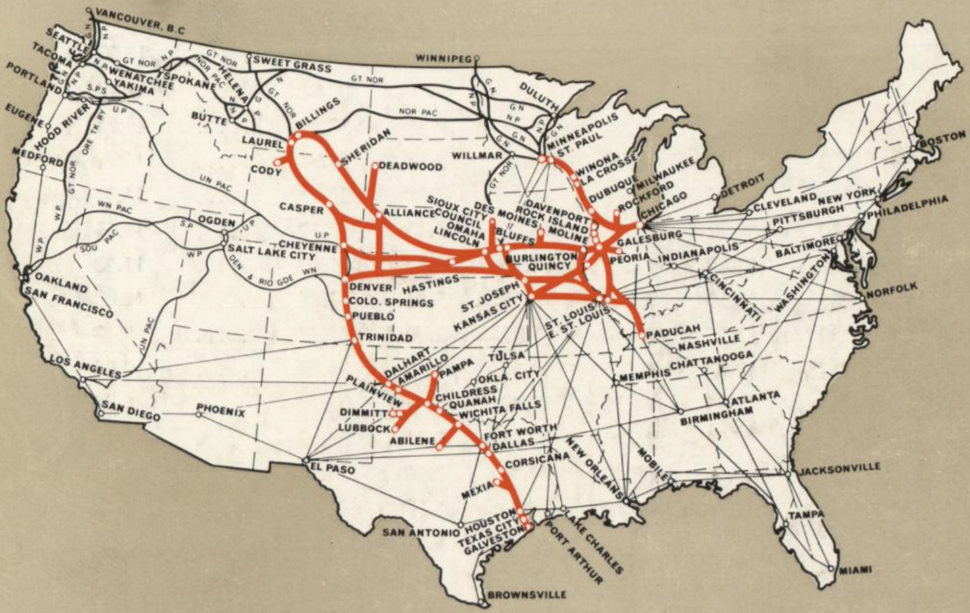
Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	Forwarder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45

EVERYWHERE WEST


VANCOUVER, B.C.
SEATTLE
TACOMA
PORTLAND
EUGENE
MEDFORD
HOOD RIVER
WENATCHEE
YAKIMA
SPOKANE
HELENA
BUTTE
LAUREL
BILLINGS
CODY
SWEET GRASS
GT NOR
NOR PAC
UN PAC
WN PAC
SOU PAC
S.P.S.
WINNIPEG
DULUTH
WILLMAR
MINNEAPOLIS
ST. PAUL
SHERIDAN
DEADWOOD
CASPER
ALLIANCE
OGDEN
SALT LAKE CITY
CHEYENNE
DEN & RIO GDE WN
OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
PHOENIX
EL PASO
DENVER
COLO. SPRINGS
PUEBLO
TRINIDAD
HASTINGS
LINCOLN
OMAHA
COUNCIL BLUFFS
SIOUX CITY
DES MOINES
BURLINGTON
QUINCY
ST. JOSEPH
KANSAS CITY
ST. LOUIS
E. ST. LOUIS
WINONA
LA CROSSE
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ROCK ISLAND
MOLINE
MILWAUKEE
ROCKFORD
CHICAGO
GALESBURG
PEORIA
PADUCAH
DETROIT
CLEVELAND
PITTSBURGH
NEW YORK
PHILADELPHIA
BOSTON
BALTIMORE
WASHINGTON
NORFOLK
INDIANAPOLIS
CINCINNATI
NASHVILLE
CHATTANOOGA
MEMPHIS
ATLANTA
BIRMINGHAM
JACKSONVILLE
TAMPA
MIAMI
MOBILE
NEW ORLEANS
LAKE CHARLES
PORT ARTHUR
DALHART
AMARILLO
PAMPA
TULSA
OKLA. CITY
PLAINVIEW
DIMMITT
LUBBOCK
CHILDRESS
QUANAH
WICHITA FALLS
ABILENE
FORT WORTH
DALLAS
CORSICANA
MEXIA
HOUSTON
TEXAS CITY
GALVESTON
SAN ANTONIO
BROWNSVILLE

WAY OF THE ZEPHYRS

1954

Burlington
Route